

Guoxiong Huang <HUANG@scag.ca.gov>

04/30/2013 12:30 AM

To "pam.korte@dot.ca.gov" <pam.korte@dot.ca.gov>

cc Annie Nam <NAM@scag.ca.gov>, Naresh Amatya <AMATYA@scag.ca.gov>, Hsi-Hwa Hu <HU@scag.ca.gov>

Subject Questions for SCAG from April 25 CTP TAC Meeting

Hi Pam:

Hsi-Hwa from SCAG has attended the April 25th CTP 2040 TAC meeting and reported the following discussions/questions. Please see the response in [blue](#) and let me know for further assistance.

1. From today's PowerPoint on SCAG's VMT Fee
Mileage-based user fees would be implemented to replace gas taxes – estimated at about \$0.05 per mile starting in 2025 and indexed to maintain purchasing power. This funding source was considered to be reasonably available and is included in the financially constrained plan.

Question: Pam would like to know the rationale about how SCAG determine strategy for VMT fee (why replacing gas tax, why 5 cents per mile...)

We assumed eventual replacement of the gas tax with a VMT fee structure to ensure some level of sustainable transportation funding with trends showing dramatic declines in revenue due to alternative fuel and increasing fuel efficiencies. This coupled with the inability to maintain purchasing power due to lack of adjustment of the fuel tax over the past twenty years.

When actually tracking average annual historical growth of fuel tax revenues, we are technically allowed to extrapolate from historical growth trends for financial conformity purposes. As such, if we were to ignore recent declines due to fuel efficiencies/alternative fuel and purchasing power concerns, we'd actually assume an annual 5% growth in fuel tax revenues, which is generally consistent with the baseline assumption other major MPOs use.

To get us back to this 5% revenue growth, we had to adjust our forecast and make assumptions about VMT fee transition at around 2025 with an interim increase in the gas tax in 2017.

2. CTP is to 2040. Since RTP/SCS for SCAG and some other MPOs are to 2035. How should CTP determine projects for 2040 for SCAG region and other MPOs? Using unconstrained projects or 2035 Plan (also suggested by Clint of SANDAG).

While we don't have a concrete list of projects to be included in the constrained plan beyond 2035 until we are well underway in the development of the 2016 RTP/SCS, given that CTP is a policy document, it may be worthwhile for the CTP to note our broad policy objectives beyond 2035:

- Continue supporting sustainable transportation strategies, including Active Transportation, clean technology solutions etc.
- Continue to expand our passenger rail system and services, including Metrolink and LOSSAN
- Continue to invest at high levels to preserve our transportation assets
- Continue to support sustainable land use strategies that maximizes utility of our transportation system and services

Hope this helps.

Best Regards,

Guoxiong Huang

Manager of Modeling and Forecasting
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
818 West 7th Street, 12th Floor, Los Angeles, CA 90017
T: (213) 236-1948 | F: (213) 236-1962
E: huang@scag.ca.gov

Stay Connected

*Don't miss SCAG's Regional Conference & General Assembly,
May 2-3, 2013, at the JW Marriott Desert Springs Resort & Spa
in Palm Desert. Register now at www.scag.ca.gov/ga2013*